

Message Text

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ACTION ARA-10

INFO OCT-01 EA-07 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 EB-08 OMB-01 COME-00 TRSE-00 FEA-01 EUR-12

SIL-01 LAB-04 INT-05 /100 W

-----112136Z 130712 /63

R 111921Z MAR 77

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 6919

INFO AMEMBASSY BOGOTA

AMEMBASSY LA PAZ

AMEMBASSY LIMA

AMEMBASSY QUITO

AMEMBASSY TOKYO

USCINCSO QUARRY HEIGHTS

USCINCLANT NORFOLK VA

USLO PEKING

C O N F I D E N T I A L SECTION 1 OF 2 CARACAS 2544

E.O. 11652: GDS

TAGS: ECIN, ELAB, PBOR, PINS, PINT, CO, US, VE

SUBJECT: THIS WEEK IN VENEZUELA

REF: CARACAS 2266 (NOTAL)

SUMMARY. COPEI REJECTS AND KILLS PROPOSED DIFERENDO SOLUTION. VENEZUELA TO SEEK ADDITIONAL MOTOR VEHICLE PRODUCTION ASSIGNMENTS. BETANCOURT SAYS U.S. FUNDS NOT USED TO FIGHT SUBVERSION. COMMUNIST WEEKLY SAYS MANY JOURNALISTS HAVE CIA CONNECTIONS. SIDOR UNION "RESTRUCTURED." JAPANESE GOVERNMENT INVITES PRESIDENT PEREZ TO VISIT JAPAN. PETROLEUM PIPELINE SABOTAGED. END SUMMARY.

1. COPEI INFORMS GOV OF ITS REJECTION OF PROPOSED DIFERENDO SOLUTION-KILLING THE INITIATIVE. COPEI
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PARTY PRESIDENT GODOFREDO GONZALEZ, AND SECRETARY GENERAL PEDRO PABLO AGUILAR PRESENTED FOREIGN MINISTER RAMON ESCOBAR SALOM WITH COPEI'S LENGTHY FORMAL RESPONSE TO PRESIDENT PEREZ' PROPOSED SOLUTION TO THE COLOMBIA TERRITORIAL WATERS DISPUTE. A LACONIC COPEI PRESS RELEASE PROVIDING FEW DETAILS OUTLINED THE PARTY'S MAJOR POINTS: A) REJECTION OF THE PROPOSED DEMARCATION LINE ACROSS THE GULF OF VENEZUELA;

AND B) DISAGREEMENT WITH THE PROPOSED ECONOMIC ACCORD FOR JOINT EXPLOITATION BECAUSE IT "WOULD UPSET A CLEAR-CUT AGREEMENT ON DEMARCATION (OF THE FRONTIER)." COPEI CALLED FOR CONTINUING NEGOTIATIONS WITH COLOMBIA, NOTED THAT RECENT LOS CRITERIA AND SOME ICJ DECISIONS STRENGTHEN VENEZUELA'S THESIS CONCERNING BOUNDARIES, AND CITED COLOMBIA'S RECENT AGREEMENTS ON DEMARCATION OF OFFSHORE WATERS AND SUBMARINE AREAS WITH ECUADOR AND PANAMA.

COMMENT: THE COPEI NEGATIVE WAS NO SURPRISE. AS REPORTED IN CARACAS 2266, COPEI OPPOSED BOTH JOINT EXPLOITATION OF RESOURCES IN VENEZUELAN TERRITORY, AS WELL AS THE LINKING OF EXPLOITATION TO DEMARCATION EFFORTS. SINCE THE GOV HAD ANNOUNCED THAT A NATIONAL CONSENSUS WOULD BE NECESSARY PRIOR TO REACHING A SETTLEMENT, COPEI'S MAKES MORE DIFFICULT ANY DIFERENDO SETTLEMENT FOR THE REMAINING TWO YEARS OF THE PEREZ ADMINISTRATION. AD PARTY PRESIDENT GONZALO BARRIOS ADMITTED AS MUCH MARCH 10, SAYING "FOR NOW THERE WILL BE NO AGREEMENT," SINCE COPEI'S RESPONSE EXCLUDES THE POSSIBILITY OF A NATIONAL CONSENSUS. WHILE WE EXPECT NO COMMENT FROM THE VENEZUELAN MILITARY, THEY ARE UNDOUBTEDLY PLEASED THAT THIS ISSUE IS ONCE AGAIN ON BACK BURNER. PEREZ, HOWEVER, MUST BE GIVEN HIGH MARKS BOTH FOR THE GOV'S IMAGINATIVE PROPOSALS AND HIS COURAGEOUS AND CAREFUL HANDLING OF A MOST SENSITIVE DOMESTIC POLITICAL ISSUE. PEREZ EMPHASIZED THROUGHOUT THE CONSULTATION PROCESS THAT THE DISPUTE TRANSCENDS PARTY POLITICS AND ALSO THAT THE GOV WOULD NOT CONCLUDE AN AGREEMENT WITH COLOMBIA THAT ADVERSELY AFFECTED VENEZUELA'S INTERESTS.

2. VENEZUELA TO SEEK ADDITIONAL MOTOR VEHICLE PRODUCTION
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ASSIGNMENTS. IN RESPONSE TO INTENSIFIED DOMESTIC CRITICISM OF ANDEAN PACT MOTOR VEHICLE ASSIGNMENTS, THE FOREIGN TRADE INSTITUTE HAS ANNOUNCED VENEZUELA WILL SEEK ADDITIONAL QUOTAS AT THE COMMISSION MEETING NOW SCHEDULED TO BEGIN MARCH 12 IN LIMA. DURING THE PAST WEEK BOTH LABOR AND INDUSTRY ORGANIZATIONS HAVE EXERTED STRONG PRESSURES ON THE GOV TO OBTAIN AGREEMENT TO PRODUCE ADDITIONAL COMMERCIAL AND PASSENGER VEHICLES, AS WELL AS MOTORCYCLES.

VENEZUELA PRODUCED AN ESTIMATED 163,000 MOTOR VEHICLES DURING 1976 (ABOUT 63 PERCENT OF THE TOTAL ANDEAN MARKET). UNDER THE CURRENT PROPOSAL, PRODUCTION WOULD BE LIMITED TO 132,000 VEHICLES IN 1980. ACCORDING TO INDUSTRY SOURCES, VENEZUELA HAS THE CAPACITY TO PRODUCE AS MANY AS 200,000 VEHICLES ANNUALLY.

3. BETANCOURT ASSERTS U.S. FUNDS NOT USED TO FIGHT SUBVERSION. IN FURTHER REACTION TO THE NY TIMES STORIES ABOUT CIA PAYMENTS IN THE 1960'S TO THEN INTERIOR MINISTER

CARLOS ANDRES PEREZ, FORMER PRESIDENT ROMULO BETANCOURT MAINTAINED IN A LETTER PUBLISHED THIS WEEK IN ZETA MAGAZINE THAT THE GOV "DID NOT RECEIVE EVEN ONE CENT TO COMBAT CASTRO-COMMUNIST GUERRILLAS." HE SAID THAT THE INSURRECTION OF THE 1960'S WAS QUELLED WITH VENEZUELA'S OWN RESOURCES. "NO INVESTIGATION, MADE EITHER NOW OR IN 100 YEARS," BETANCOURT ASSERTED, "WILL EVER SHOW THE RECEIPT OF FUNDS FROM THE U.S. GOVERNMENT FOR ACTION DEFENSIVE OF THE NATIONAL SOVEREIGNTY." BETANCOURT NOTED THAT "THE ONLY SUPPORT GIVEN BY THE GOVERNMENT IN WASHINGTON WAS TO TRAIN VENEZUELAN COMMISSIONED AND NON-COMMISSIONED OFFICERS IN THE ANTI-GUERRILLA SCHOOL IN PANAMA." AT THE SAME TIME, BETANCOURT SAID, "THE COMMUNISTS--THE MAJORITY OF WHOM ARE NOW MASISTAS, WITHOUT CEASING TO BE COMMUNISTS--, MIRISTAS AND ASSOCIATES" WERE TRAINED IN GUERRILLA SCHOOLS IN CUBA, CZECHOSLOVAKIA, MOSCOW, AND OTHER TOTALITARIAN COUNTRIES.
COMMENT: THE VIRULENT ANTI-COMMUNIST LINE IS VINTAGE
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BETANCOURT. THIS LATEST SHOCK WAVE HAS LESS TO DO WITH REJECTING THE NY TIMES STORY THAT IT DOES WITH STRENGTHENING THE POSITION OF PRESIDENTIAL PRE-CANDIDATE PINERUA ORDAZ AND HIS FOLLOWERS WHO STILL REFLECT THAT OLD-TIME AD PARTY ADHERENCE TO IDEOLOGICAL CONFLICT.

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INFO OCT-01 EA-07 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06
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SIL-01 LAB-04 INT-05 /100 W
-----112134Z 130826 /63

R 111921Z MAR 77
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 6920
INFO AMEMBASSY BOGOTA
AMEMBASSY LA PAZ
AMEMBASSY LIMA
AMEMBASSY QUITO

AMEMBASSY TOKYO
USCINCSO QUARRY HEIGHTS
USCINCLANT NORFOLK VA
USLO PEKING

C O N F I D E N T I A L SECTION 2 OF 2 CARACAS 2544

4. COMMUNIST WEEKLY CLAIMS MANY JOURNALISTS HAVE CIA CONNECTIONS. IN ANOTHER AFTERSHOCK OF THE NEW YORK TIMES STORIES ABOUT CIA PAYMENTS IN VENEZUELA, THE PCV ORGAN, TRIBUNA POPULAR, PUBLISHED A LIST OF VENEZUELAN JOURNALISTS AND OTHERS SAID TO BE IN THE PAY OF THE CIA. THOSE NAMED INCLUDE RIGHT-WING COLUMNIST FELIX MARTINEZ SUAREZ ("OPPOSED TO EVERYTHING PROGRESSIVE AND IN FAVOR OF AMERICAN IMPERIALISM"), TV TALK SHOW HOSTS SOFIA AND CARLOS RANGEL ("EVER MORE REACTIONARY"), ZETA EDITOR RAFAEL POLEO, COLUMNIST SALVADOR ROMANI, RAMON KOESLING ("PEREZJIMENISTA COUP PLOTTER"), AND SPORTSWRITER OMAR LARES. TRIBUNA POPULAR ALSO CLAIMED THAT FOUR PERSONS--RICARDO MORALES NAVARRETT, LUIS POSADA CARRILES, FREDDY LUGO, AND HERNAN RICARDO--UNDER ARREST ON CHARGES OF SABOTAGING A CUBANA AIRLINED IN BARBADOS LAST YEAR ARE CIA AGENTS, AS WELL AS DISIP OFFICIAL ORLANDO GARCIA AND FOREIGN MINISTRY AIDE
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ANTONIO IGNACIO BUSTILLO PEREZ.

5. SIDOR UNION "RESTRUCTURED". THE 2,500 MEMBER UNION AT THE 12,000 EMPLOYEE SIDOR STEEL MILL IN CIUDAD GUAYANA, LONG INFILTRATED BY FAR LEFT AND ANARCHIST GROUPS, HAS BEEN CONVULSED FOR THE LAST SEVERAL WEEKS BY DIFFERENT FACTIONS JOCKEYING FOR POWER. IN ELECTIONS HELD IN DECEMBER, 1974, AD WON A PAPER-THIN PLURALITY GIVING IT THE TOP POSITION IN THE UNION WHILE EIGHT DIFFERENT POLITICAL GROUPS OCCUPY THE EIGHT OTHER LEADERSHIP POSITIONS. THE PROSPECT OF NEW UNION ELECTIONS AND THE NEED TO NEGOTIATE A NEW CONTRACT PROVOKED THE CURRENT CRISIS. AD THEORIZES THAT THE 10,000 NON-UNION WORKERS ARE A "SILENT MAJORITY" WHICH HAVE BEEN TURNED OFF BY THE RADICALISM AND THE CONSTANT IN-FIGHTING OF THE CURRENT SPLINTERED UNION LEADERSHIP. AD APPARENTLY SECRETLY ORDERED FETRAMETAL (THE SIDOR UNION'S PARENT FEDERATION) TO INTERVENE IN THE UNION, NEGOTIATE A NEW CONTRACT, AND CONDUCT ELECTIONS. THE AD MAJORITY IN FETRAMETAL COMPLIED OVER THE FIERCE OPPOSITION OF COPEI AND THE MINOR PARTIES. FETRAMETAL'S PARENT, THE CONFEDERATION OF VENEZUELAN WORKERS (CTV) HAS NOW INTERVENED DIRECTLY DISPLACING FETRAMETAL AND HAS NAMED A MULTI-PARTY COMMISSION (WITH A NON-AD MAJORITY INCLUDING A REPRESENTATIVE OF THE EXTREME LEFT MAS) TO RECONSTITUTE THE UNION AND HOLD ELECTIONS.
COMMENT: WHILE AD HAS BEEN ROUNDLY CRITICIZED FOR MEDDLING

IN LOCAL UNION AFFAIRS, ITS BASIC GOAL OF RECONSTITUTING THE UNION INTO A MORE REPRESENTATIVE GROUP HAS BEEN GAINED. IT REMAINS TO BE SEEN WHETHER THE NEW UNION, PRESUMABLY MORE REPRESENTATIVE, WILL HAVE A LESS RADICAL, MORE COHESIVE LEADERSHIP THAN THE OLD.

6. JAPANESE GOVERNMENT INVITES PRESIDENT PEREZ TO VISIT JAPAN. TOSHIO KIMURA, FORMER JAPANESE FOREIGN MINISTER, ACTING AS A SPECIAL AMBASSADOR VISITED CARACAS MARCH 4-7 TO INAUGURATE A LARGE JAPANESE TECHNICAL AND INDUSTRIAL EXPOSITION AND TO TENDER TO PRESIDENT PEREZ AN
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INVITATION FROM THE JAPANESE GOVERNMENT TO VISIT JAPAN DURING THE LATTER HALF OF 1977, PROBABLY IN THE FALL. KIMURA PUBLICLY EMPHASIZED JAPAN'S INTEREST IN REACHING A FAVORABLE SOLUTION TO THE NORTH-SOUTH DIALOGUE. COMMENT: THE JAPANESE GOVERNMENT HAS LONG BEEN INTERESTED IN INVITING PRESIDENT PEREZ, BUT HAD BEEN AWAITING A DECISION ON PEREZ' IMPENDING VISIT TO THE U.S. THE JAPANESE EXPECT THAT PEREZ WOULD ALSO WANT TO VISIT THE PRC SHOULD HE ACCEPT THEIR INVITATION.

7. PETROLEUM PIPELINES SABOTAGED. TWO OIL PIPELINES AND ONE NATURAL GAS PIPELINE BETWEEN ANACO AND SAN MATEO IN ANZOATEGUIA STATE WERE PRESUMABLY SABOTAGED MARCH 8, ACCORDING TO THE NATIONAL GUARD COMMANDER FOR THE REGION. THE OIL PIPELINES, WHICH BELONG TO LLANOVEN, WERE PERFORATED WITH SIX HOLES WHILE THE GAS PIPELINE OF THE VENEZUELAN PETROLEUM CORPORATION WAS PERFORATED TWICE BY SHOTS FIRED FROM HIGH VELOCITY WEAPONS. SECURITY AGENTS COMBED THE AREA MARCH 9 BUT NO ARRESTS WERE MADE.

8. OTHER REPORTING THIS WEEK INCLUDED THE PRESIDENT'S COMMENTS ON NIEHOUS KIDNAPPING AND DECISION TO CONTINUE SUSPECTS' TRIAL (CARACAS 2320 AND 2425), THE TORRIJOS TRIP TO VENEZUELA (CARACAS 2455), SHARP REACTION TO SENATE REPORT REFERRING TO ORINOCO OIL BELT (CARACAS 2470), AND THE ARCO NATIONALIZATION (CARACAS 2404).
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Message Attributes

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